

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF IOWA
DAVENPORT DIVISION

IN THE MATTER OF) Case No. 06-02229-lmj11
DIOCESE OF DAVENPORT,)
Debtor.) Chapter 11
) Honorable Lee M. Jackwig
)

**SETTLEMENT TRUSTEE'S (I) AMENDED FINAL REPORT AND ACCOUNTING
AND (II) AMENDED SUMMARY REGARDING DISTRIBUTIONS AND RESERVES**

Eric Schwarz, the Settlement Trustee (the “Settlement Trustee”) of the Diocese of Davenport Qualified Settlement Trust (the “Settlement Trust”), hereby submits the attached: (i) amended final report and accounting; (ii) amended summary regarding distributions and reserves; and (iii) proposed order authorizing final distribution and terminating the settlement trust, as follows:

1. On April 29, 2019, the Settlement Trustee filed his *Motion to Authorize Final Distribution and Terminate the Settlement Trust* [Docket No. 462] (the “Motion”).¹
2. The Settlement Trustee received three objections by Unknown Tort Claimants [Docket Nos. 473, 474, and 481].
3. At a hearing on July 31, 2019, the Court overruled two of the objections, but allowed the Claimant with respect to the third objection to pursue a determination under the Tort

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Claims Process. The Court directed that after such claim (the “Final Remaining Claim”) was processed, the Settlement Trustee file the attached documents.

4. The Final Remaining Claim has been processed and paid. Accordingly, the Settlement Trustee hereby submits the (i) amended final report and accounting, attached hereto as **Exhibit 1**; (ii) amended summary regarding distributions and reserves, attached hereto as **Exhibit 2**; and (iii) proposed order authorizing final distribution and terminating the settlement trust, attached hereto as **Exhibit 3**.

Respectfully submitted,

Dated: October 17, 2019

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ James I. Stang
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Attorneys for Eric Schwarz, trustee of the Diocese of
Davenport Qualified Settlement Trust

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF IOWA
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IN THE MATTER OF) Case No. 06-02229-lmj11
DIOCESE OF DAVENPORT,)
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) Honorable Lee M. Jackwig
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**DECLARATION OF ERIC SCHWARZ REGARDING AMENDED FINAL REPORT
AND SUMMARY REGARDING DISTRIBUTIONS AND RESERVES**

I, Eric Schwarz, declare as follows:

1. Since 2003, I have been employed by Omni Management Group, Inc. or its predecessors as a Senior Bankruptcy Consultant and since April 2018, I have served as its Chief Financial Officer. On September 13, 2011, I was appointed the Settlement Trustee of the Diocese of Davenport Qualified Settlement Trust (the “Settlement Trust”). I make this declaration solely in my capacity as Settlement Trustee of the Settlement Trust. If called as a witness, I would and could testify competently as to the matters contained herein.

2. On May 29, 2008, the Settlement Trust was funded.

3. I have determined that the Settlement Trust has fulfilled its obligations under the Plan (including the processing and payment of the Final Remaining Claim) and that the Settlement Trust should be terminated.

4. Attached to the Motion as **Exhibit 1** is my final report and accounting of the Settlement Trust, which summarizes the administration of the Settlement Trust. The Balance Sheet, as of September 30, 2019, shows total cash assets of \$947,625.95.

5. As set forth on **Exhibit 2** to the Motion and in accordance with Article 5a of the Settlement Trust Agreement, I propose to distribute that amount as follows: (1) reserve \$16,750 to fund remaining Settlement Trust expenses, (2) distribute \$759,147.25 to Allowed Tort Claimants on a pro rata basis based on the amounts of the Allowed Tort Claims, and (3) distribute \$171,728.70, the balance of the Unknown Tort Claim Trust, to the following charities: Child Protection Response Center (\$57,242.90); Family Resources Davenport, Iowa (\$57,242.90); Survivors Network of those Abused by Priests (SNAP) (\$28,621.45); and BishopAccountability.org, Inc. (\$28,621.45).

6. I, along with my agents, including professionals and employees, have completed the administration of the Settlement Trust and fully discharged our respective duties in accordance with the Plan and Settlement Trust Agreement, except for discrete remaining tasks to finish winding up the affairs of the Settlement Trust such as the preparation of final tax returns and final distribution.

7. I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct.

Executed this 16th day of October, 2019 at Woodland Hills, California.

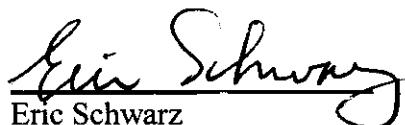

Eric Schwarz

EXHIBIT 1

**DIOCESE OF DAVENPORT
BALANCE SHEET
AS OF SEPTEMBER 30, 2019**

ASSETS

CASH ON HAND

Checking	21,905.00
Money Market	925,720.95
Total Cash	947,625.95
Total Assets	<u>\$ 947,625.95</u>

LIABILITIES

ADMINISTRATIVE RESERVES

Counsel to Settlement Trustee	9,500.00
Settlement Trustee	6,000.00
Tax Accountant - Final Return	1,250.00
Total Administrative Reserves	16,750.00

CASH AVAILABLE FOR DISTRIBUTION

Charitable Organizations	171,728.70
Surplus Funds to Bar Date Claimants	759,147.25
Total Cash Available for Distribution	930,875.95
Total Liabilities	<u>\$ 947,625.95</u>

DIOCESE OF DAVENPORT

**SUMMARY OF MATRIX TORT CLAIM REVENUES AND DISBURSEMENTS
FOR THE PERIOD FROM 5/29/2008 TO 9/30/2019**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	Totals
Revenues													
Cash from Diocese of Davenport	\$ 29,279,418.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,279,418.90
Sale of Property	-	\$ 3,350,000.00	-	-	-	-	-	-	-	-	-	-	\$ 3,350,000.00
Refund of Retainer	-	\$ 10,000.00	-	-	-	-	-	-	-	-	-	-	\$ 10,000.00
Fraudulent Conveyance Settlement	-	\$ 37,750.00	\$ 6,736.97	\$ 66,000.00	-	-	-	-	-	-	-	-	\$ 110,486.97
Interest Income	\$ 197,383.75	\$ 18,443.88	\$ 7,435.31	\$ 4,987.79	\$ 2,617.46	\$ 2,797.03	\$ 3,594.79	\$ 3,547.30	\$ 3,621.57	\$ 3,628.35	\$ 3,674.78	\$ 2,766.32	\$ 254,498.33
Total Revenues	\$ 29,476,802.65	\$ 3,416,193.88	\$ 14,172.28	\$ 70,987.79	\$ 2,617.46	\$ 2,797.03	\$ 3,594.79	\$ 3,547.30	\$ 3,621.57	\$ 3,628.35	\$ 3,674.78	\$ 3,104.00	\$ 33,004,404.20
Expenditures													
Tort Claim Awards	\$ 18,382,462.18	\$ 2,601,032.84	-	-	-	-	-	-	-	-	-	-	\$ 20,983,495.02
Convenience Class Awards	\$ 290,000.00	\$ 10,000.00	\$ 10,000.00	-	-	-	-	-	-	-	-	-	\$ 320,000.00
Contingency Fees	\$ 8,494,673.61	\$ 898,022.69	-	-	-	-	-	-	-	-	-	-	\$ 9,392,696.30
Settlement Trustee	\$ 48,611.55	\$ 63,536.70	\$ 13,777.45	\$ 4,820.63	\$ 2,394.25	\$ 2,283.45	\$ 1,185.96	\$ 2,384.84	\$ 219.75	-	-	-	\$ 7,941.69
Counsel to Settlement Trustee	\$ 208,785.65	\$ 145,485.26	\$ 84,955.18	\$ 29,018.98	\$ 5,621.07	\$ 3,906.99	\$ 2,663.00	\$ (739.47)	-	-	-	-	\$ 147,156.27
Accountant	\$ 10,755.00	\$ 1,850.00	\$ 705.00	\$ 446.00	\$ 457.00	\$ 358.50	\$ 385.00	\$ 400.00	\$ 420.00	-	-	-	\$ 19,128.45
Special Arbitrator Fees	\$ 96,285.86	-	\$ 3,700.00	\$ 8,485.91	\$ 1,100.00	\$ 6,445.00	-	\$ 2,998.38	\$ (2,998.38)	-	-	-	\$ 498,825.11
RE Broker Commissions	-	\$ 167,500.00	-	-	-	-	-	-	-	-	-	-	\$ 17,126.50
Title Company Fee	-	\$ 1,100.00	-	-	-	-	-	-	-	-	-	-	\$ 1,100.00
Attorney to Committee	\$ 503,493.05	-	-	-	-	-	-	-	-	-	-	-	\$ 503,493.05
Future Claims Representative	\$ 34,226.58	-	-	-	-	-	-	-	-	-	-	-	\$ 34,226.58
Counsel to Debtor	\$ 27,710.32	-	-	-	-	-	-	-	-	-	-	-	\$ 27,710.32
Financial Advisor - Expert Witness	-	\$ 10,470.00	-	\$ 6,890.00	-	-	-	-	-	-	-	-	\$ 17,360.00
Total Expenditures	\$ 28,097,003.80	\$ 3,898,997.49	\$ 113,137.63	\$ 49,661.52	\$ 9,572.32	\$ 12,993.94	\$ 4,233.96	\$ 5,043.75	\$ (2,358.63)	-	-	\$ 40,170.14	\$ 32,228,455.92
Income from Operations	\$ 1,379,798.85	\$ (482,803.61)	\$ (98,965.35)	\$ 21,326.27	\$ (6,954.86)	\$ (10,196.91)	\$ (639.17)	\$ (1,496.45)	\$ 5,980.20	\$ 3,628.35	\$ 3,674.78	\$ (37,066.14)	\$ 775,948.28

DIOCESE OF DAVENPORT

**SUMMARY OF UNKNOWN TORT CLAIM REVENUES AND DISBURSEMENTS
FOR THE PERIOD FROM 5/29/2008 TO 9/30/2019**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	Totals
Revenues													
Cash from Diocese of Davenport	\$ 2,500,000.00												\$ 2,500,000.00
Interest Income	17,767.36	26,135.84	20,337.74	10,328.65	4,418.82	3,289.85	2,466.59	1,193.44	792.11	784.54	743.85	470.57	88,729.36
Total Revenues	2,517,767.36	26,135.84	20,337.74	10,328.65	4,418.82	3,289.85	2,466.59	1,193.44	792.11	784.54	743.85	470.57	2,588,729.36
Expenditures													
Convenience Class Awards									10,000.00				(10,000.00)
Unknown Tort Claim Awards									26,478.64				21,205.16
Settlement Trustee		-	737,151.33	448,258.92	228,915.93	333,509.19	542,189.51	-	416.00	998.32	1,316.70		2,360,127.17
Counsel to Settlement Trustee							2,839.66	1,997.15	1,219.98				5,487.02
Special Arbitrator Fees					1,225.00	2,772.75	21,106.55		2,998.38				17,227.00
Total Expenditures	-	-	737,151.33	448,258.92	230,140.93	336,281.94	566,135.72	1,997.15	41,113.00	998.32	23,735.19	31,188.16	2,417,000.66
Income from Operations	\$ 2,517,767.36	\$ 26,135.84	\$ (716,813.59)	\$ (437,930.27)	\$ (225,722.11)	\$ (332,992.09)	\$ (563,669.13)	\$ (803.71)	\$ (40,320.89)	\$ (213.78)	\$ (22,991.34)	\$ (30,717.59)	\$ 171,728.70

DIOCESE OF DAVENPORT

SUMMARY OF TOTAL REVENUES AND DISBURSEMENTS
FOR THE PERIOD FROM 5/29/2008 TO 9/30/2019

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	Totals
Revenues													
Cash from Diocese of Davenport	\$ 31,779,418.90												\$ 31,779,418.90
Sale of Property		\$ 3,350,000.00											3,350,000.00
Refund of Retainer			\$ 10,000.00										10,000.00
Fraudulent Conveyance Settlement				\$ 37,750.00									37,750.00
Interest Income					\$ 6,736.97								6,736.97
	215,151.11				66,000.00								110,486.97
Total Revenues	31,994,570.01	3,442,329.72	34,510.02	81,316.44	7,036.28	6,086.88	6,061.38	4,740.74	4,413.68	4,412.89	4,418.63	3,236.89	343,227.69
Expenditures													
Tort Claim Awards		\$ 18,382,462.18											20,983,495.02
Convenience Class Awards			\$ 290,000.00										320,000.00
Unknown Tort Claim Awards				\$ 10,000.00									2,360,127.17
Contingency Fees					\$ 737,151.33								9,392,696.30
Settlement Trustee						\$ 548,258.92							152,643.29
Counsel to Settlement Trustee							\$ 247,925.97						36,355.45
Accountant								\$ 214,499.15					522,108.90
Special Arbitrator Fees									\$ 542,189.51				1,350.00
RE Broker Commissions										\$ 26,478.64			17,126.50
Title Company Fee											\$ 635.75		1,750.00
Attorney to Committee												\$ 998.32	1,100.00
Future Claims Representative													503,493.05
Counsel to Debtor													34,226.58
Financial Advisor - Expert Witness													27,710.32
													17,360.00
Total Expenditures	28,097,003.80	3,898,997.49	850,288.96	597,920.44	258,723.29	230,265.84	570,369.68	33,519.54	12,275.73	998.32	23,735.19	71,358.30	34,645,456.58
Income from Operations	\$ 3,897,566.21	\$ (456,667.77)	\$ (815,778.94)	\$ (516,604.00)	\$ (251,687.01)	\$ (224,178.96)	\$ (564,308.30)	\$ (28,778.80)	\$ (7,862.05)	\$ 3,414.57	\$ (19,316.56)	\$ (68,121.41)	\$ 947,676.98

EXHIBIT 2

DIOCESE OF DAVENPORT
SUMMARY OF ADMINISTRATIVE RESERVES AND FINAL DISTRIBUTIONS
AS OF SEPTEMBER 30, 2019

Administrative Reserves

Counsel to Settlement Trustee	\$ 9,500.00
Settlement Trustee	6,000.00
Tax Accountant	<u>1,250.00</u>
Sub-total Administrative Reserves	16,750.00

Final Distributions

Surplus Funds to Bar Date Claimants	759,147.25
Charitable Organizations	<u>171,728.70</u>
Sub-total Final Distributions	<u>930,875.95</u>
Grand Total	<u><u>\$ 947,625.95</u></u>

EXHIBIT 3

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF IOWA
DAVENPORT DIVISION

IN THE MATTER OF) Case No. 06-02229-lmj11
DIOCESE OF DAVENPORT,)
) Chapter 11
)
Debtor.) Honorable Lee M. Jackwig
)
) [DOCKET NO. 462]

**ORDER GRANTING SETTLEMENT TRUSTEE'S MOTION TO AUTHORIZE
FINAL DISTRIBUTION AND TERMINATE THE SETTLEMENT TRUST**

Upon the Motion of Eric Schwarz, the Settlement Trustee (the “Settlement Trustee”) of the Diocese of Davenport Qualified Settlement Trust, to Authorize Final Distribution and Terminate the Settlement Trust (the “Motion”); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and having heard and considered the objections thereto as set forth in the Order dated August 1, 2019 [Docket No. 487]; and the Settlement Trustee having filed an updated final report and accounting and summary regarding distributions and reserves (the “Amended Reports”); and it appearing that the relief requested in the Motion is in the best interests of the Debtor and other parties in interest; and after due deliberation and good and sufficient cause appearing therefor; and it appearing to the Court that the said Motion should be approved.

IT IS HEREBY ORDERED:

1. The Motion is granted as set forth herein.
2. The Diocese of Davenport Qualified Settlement Trust is hereby terminated.

3. The Settlement Trustee's final report and accounting set forth on Exhibit 1 of the Amended Reports is approved.

4. The Settlement Trustee is authorized to wind up the affairs of the Settlement Trust and to make the distributions and payment of remaining Settlement Trust expenses set forth on Exhibit 2 of the Amended Reports.

5. Except as provided for herein, the Settlement Trustee, its agents, including professionals, and employees, are hereby exculpated from liability and relieved, discharged and released from all further duties under the Plan and the Diocese of Davenport Settlement Trust Agreement.

6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

THE HONORABLE LEE M. JACKWIG
Chief U.S. Bankruptcy Judge for the
Southern District of Iowa

CERTIFICATE OF SERVICE

The undersigned hereby certifies, under penalty of perjury, that on October 17, 2019, a copy of the **SETTLEMENT TRUSTEE'S (I) AMENDED FINAL REPORT AND ACCOUNTING AND (II) AMENDED SUMMARY REGARDING DISTIRBUTIONS AND RESERVES** to which this certificate is attached was (1) caused to be served by means of electronic transmission of the Notice of Electronic Filing through the Court's transmission facilities, for parties and/or counsel who have provided email addresses and are registered through the ECF System; and (2) was mailed via the United States Mail with postage fully paid to the parties displayed below, which parties were not served by the Court's electronic noticing system.

I served two abuse survivors who notified the Settlement Trustee after the ten year anniversary of the Effective Date, that they have abuse claims against the Debtor. In accordance with the Bankruptcy Court's order regarding filing proofs of claim (Docket no. 97), I am not including their identifying information on this certificate of service. A certificate of service with their identifying information is being filed under seal.

October 17, 2017

/s/ Sophia L. Lee

Sophia L. Lee

1. Service via the Court's electronic transmission facilities:

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- Marty L Stoll mls@shuttleworthlaw.com
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2. **Service via U.S. Mail**

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